

Office of Attorney General Terry Goddard



STATE OF ARIZONA
DEPARTMENT OF LAW
1275 W. WASHINGTON STREET
PHOENIX, ARIZONA 85007-2926
WWW.AZAG.GOV

ANDREA M. ESQUER
PRESS SECRETARY
PHONE: (602) 542-8019
CELL PHONE: (602) 725-2200

FOR IMMEDIATE RELEASE

Anthem Woman Given 10-Year Prison Term for Securities Fraud

(Phoenix, Ariz. – March 5, 2008) Attorney General Terry Goddard announced that Lori Moriarity, formerly known as Lori Lee Spranger, 38, of Anthem, was sentenced today to 10 years in prison by Maricopa County Superior Court Judge Andrew G. Klein. He also ordered her to pay \$460,000 in restitution and serve seven years of probation after her prison term.

In February, she pleaded guilty to one count of fraud, one count of theft, one count of securities fraud and two counts of forgery.

According to court documents, between 2004 and 2006, Lori Moriarity engaged in a fraud scheme in which she sold securities for a purported debt collection company called "Vector 90." Arizona law requires that securities of this type be registered and businesses of this type be licensed. Lori Moriarity failed to inform investors that Vector 90 was not licensed and that the securities were not registered. She guaranteed returns of 35 percent, providing investors with timetables of when the investments and profits were to be repaid. She and her husband, Michael, then used most of the money invested in Vector 90 to pay for living expenses for themselves and their four children.

In September 2006, the Arizona Corporation Commission issued a permanent cease and desist order to Lori and Michael Moriarity regarding Vector 90. The order included restitution of \$225,000, a fine of \$50,000 and a promise from defendants that they would not exercise control over any entity that sells securities until the restitution and fine were paid in full. The restitution and fine remain unpaid. After receiving the cease and desist order, Lori Moriarty continued to obtain money from investors in other purported debt-collection businesses, and she and her husband also used most of that money for living expenses.

In January, Michael Moriarity pleaded guilty to one count of securities fraud. In February, he was sentenced by Klein to six months in jail and four years probation. He was also ordered to pay \$437,060 in restitution, along with Lori Moriarty.

Court records further show that, while Lori Moriarty was on release pending trial in the securities fraud case, she was employed in the office of a small Phoenix business. The records show that she stole over \$25,000 from that company by forging about 30 checks on the company's bank account and depositing the proceeds into accounts she controlled.

The convictions in these cases are the result of investigations conducted by the Securities Division of the Arizona Corporation Commission.

###